



U.S. Department of Justice

*United States Attorney
Eastern District of New York*

F.#2010R00420

*271 Cadman Plaza East
Brooklyn, New York 11201*

March 21, 2012

By Hand Delivery and ECF

The Honorable Frederic Block
United States District Judge
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. Pedro Espada, Jr. et al.
Criminal Docket No. 10-985 (S-2)(FB)

Dear Judge Block:

The government writes to briefly respond to the defendants' letter seeking to strike certain portions of the testimony of Brian Feldman. The motion should be denied. Feldman's testimony goes directly to Count Seven of the indictment, charging the defendants with engaging in a "Bid Rigging Scheme," and refutes the defense claims that the defendants took money from Soundview out in the open, and did not lie or otherwise try conceal their theft.

Mr. Feldman testified that in 2010, he learned that three years earlier Soundview had engaged Pedro Espada's company to perform its cleaning. As Soundview's regulator, he sought assurance that the contract had been properly awarded. In response to these requests, Espada – who did not tell HRSA about the bids at the time they occurred because of his knowledge that they violated HRSA's regulations – then provided Mr. Feldman with copies of bids which he said showed that the contract had been fairly awarded to his own company. In fact, the government will establish that the bids were falsely inflated because the defendants provided the companies bidding on the contract with false specifications concerning Soundview's cleaning needs, including the number of Soundview clinics and the number of janitors required to clean them. When Espada submitted these fraudulently inflated bids to Mr. Feldman in order to show that he followed a proper HRSA bidding process, he lied to his regulator in an attempt to cover-up his crime. Indeed, Feldman testified that because he was satisfied that Soundview paid Espada's company less than the lowest of the falsely inflated

bids, he ended his inquiry into what had appeared to be an inappropriate bidding process.

The defendants' commission of the Bid Rigging Scheme is the crime charged, and Espada's efforts to cover up their crime strike at the heart of his defense that he never knowingly intended to steal from Soundview or mislead anyone about his conduct, including his regulators. As such, his evidence is relevant and proper.

Respectfully submitted,

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cc: Defense Counsel